

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** June 1, 2010  
**POSITION:** Oppose  
**SPONSOR:** Western Center on Law and Poverty

**BILL NUMBER:** SB 1322  
**AUTHOR:** C. Liu

### **BILL SUMMARY:** Food Stamp Employment and Training Program

This bill would: (1) require counties, commencing July 1, 2011, to allow self-initiated workfare (SIW) as a means for food stamp participants who are also Able Bodied Adults Without Dependents (ABAWDs) to satisfy the federal work participation requirements for this population, (2) require a county to screen work registrants to determine whether they will participate in, or be deferred from, the Food Stamp Employment and Training (FSET) program, if the county participates in the program, (3) require a county that participates in the FSET program to demonstrate that it is prioritizing the use of FSET program funds for SIW, work experience or training, education, and the support services or client reimbursements needed to participate in these components, as allowed by federal law and guidance, and (4) require a county that participates in the FSET program to allow work registrants who are mandatorily placed in the program to meet work requirements through SIW.

This bill would define an SIW as a public service placement in a public or a private nonprofit agency that is initiated by the food stamp recipient, for which the recipient is responsible for documentation of hours.

### **FISCAL SUMMARY**

Under current federal and state regulations, a county is authorized, but not required, to establish an SIW program for its ABAWD population, regardless of whether the county offers an FSET program. Because this bill would require all counties to allow SIW to satisfy federal work requirements for ABAWDs, counties that do not currently allow SIW would incur additional administrative costs (e.g., case management, transportation, and ancillary costs) in the food stamp program to implement an SIW program and perform the associated work verification requirements. A cost estimate is not available, as the number of ABAWD food stamp recipients that would elect to participate in SIW is unknown. For illustrative purposes, if this bill increased the number of ABAWDs electing SIW in non-FSET counties by 10 percent, the non-federal share of the associated county administrative costs would amount to \$1 million annually.

Current state law requires the state and counties to share the non-federal portion of the costs of administering the food stamp program, which includes the ABAWD population. By imposing additional workload on counties, this bill could result in a reimbursable state mandate. As such, the non-federal costs resulting from this measure could be borne entirely by the General Fund.

Additionally, since federal funding for the county-optional FSET program is limited, requiring counties that participate in the program to allow SIW would increase FSET administrative costs. To the extent FSET counties maintain their current funding levels, this bill would reduce counties' flexibility to offer other FSET activities to satisfy federal work requirements. As the FSET program is county-optional and supported solely by federal and county funds, there would be no impact to the General Fund.

### **COMMENTS**

The Department of Finance opposes this bill for the following reasons:

Analyst/Principal (0533) J. Kapoor	Date	Program Budget Manager Lisa Ann L. Mangat	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

C. Liu

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SB 1322

- This bill would increase General Fund costs in the food stamp program. By imposing additional workload on counties, this bill could result in a reimbursable state mandate. As such, the non-federal portion of any increased costs could be borne entirely by the General Fund.
- This bill is unnecessary since current state regulations permit non-FSET counties to offer an SIW for the ABAWD population. In addition, existing federal and state regulations and policies already provide the necessary guidance to counties in establishing and administering an FSET program.
- Available federal funds are insufficient to enable all FSET-participating counties to expand their FSET programs, and thus counties limit the number of persons served. As such, counties target specific populations within their pool of mandatory work registrants to receive FSET services. To the extent counties do not increase funding to implement SIW programs, this bill would limit counties' flexibility to offer other authorized FSET activities.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
5180/Social Svcs	LA	No	-----	See Fiscal Summary				-----	0001